

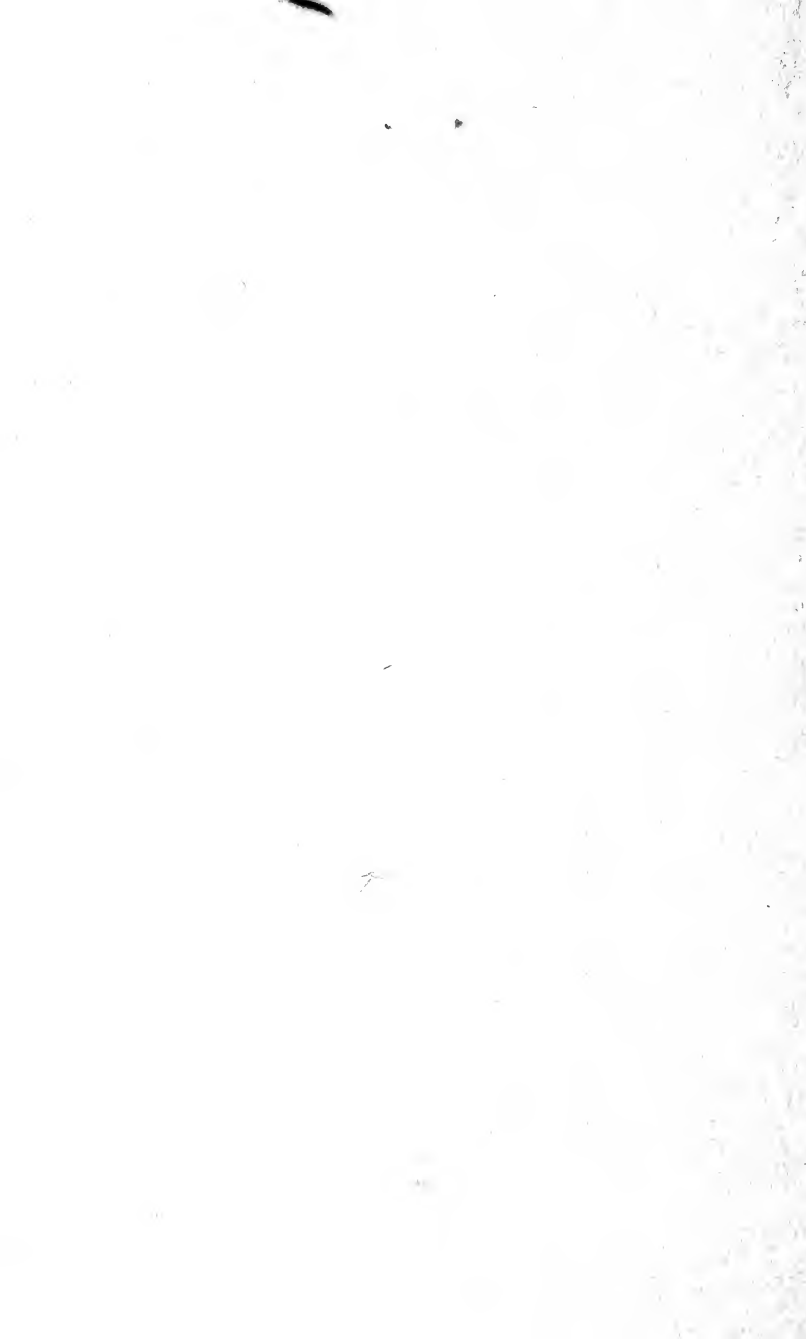
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THE VACANT CHAIR AT  
THE COUNCIL TABLE  
OF THE WORLD

*By* IVY L. LEE



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OF THE WORLD

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REMARKS BEFORE THE PHILADELPHIA  
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## THE VACANT CHAIR AT THE COUNCIL TABLE OF THE WORLD

**D**URING each of the past four years it has been my privilege to spend a month or more in Europe. Those visits afforded unusual opportunities for discussion with cabinet officers of European governments, bankers, economists and others possessed of intimate knowledge of conditions.

In previous years one found it possible to get fairly definite ideas as to the likely course of events in the months immediately ensuing. This summer, however, the situation was muddled, complicated and obscure beyond all precedent. But out of all the chaos and contradiction there stood one supreme and baffling fact:

*In the council room of the world, today the most important chair is vacant!*



The French and the English will call a peace conference to settle or attempt to settle the questions arising out of the conflict in Turkey. Eight nations are to be invited to that conference, but in looking over the list *one fails to find the name of the United States.*

# I

## WHY SHOULD AMERICA MIX IN THE AFFAIRS OF EUROPE?

You may say, What have we to do with Turkish trouble? And why should we be there? Why mix in the quarrels of Europe?

I happened this afternoon to be talking from New York over the telephone with one of the cabinet ministers of Canada in Ottawa, and he told me that the Prime Minister of Canada had been recalled from his vacation to Ottawa to consider Canada's relation to this very event. Now if Canada has some relationship to this affair, is it not possible that we have some interest in what is settled around the council table at which those eight nations shall sit?

## OUR INTEREST IN THE MEETINGS OF THE LEAGUE OF NATIONS

At Geneva, the Council of the League of Nations has been in session—all the great nations of the world assembled to consider matters of moment to the world. *The United States is not there.* And yet I see that at the meeting today there was presented to the League of Nations, as one of the important topics of discussion, the dispute between Bolivia and Chile!

Is that of any interest to us? And is there not good reason for us to be sitting around a table where the Monroe doctrine is so much involved?

## OUR INTEREST IN PREVENTING THE COLLAPSE OF GERMANY

Another item in the current news: Germany is planning to run her printing presses overtime in an effort to grind out seven and a half billion marks of paper money per week, the previous efforts having resulted in inability to supply the demand. The government has engaged the printing presses not alone of Berlin but other places throughout Germany, in an effort to satisfy the demand for paper money in the mad orgy of inflation.

Germany's financial and industrial fabric is tottering toward its ruin. You will hear people say there is prosperity in Germany, but it is the prosperity of a drunken man sitting up all night spending in riotous living the last cent of money he can beg, borrow or steal.

And the whole problem of German prosperity involves the prosperity of our own people. It would be impossible for the people of the United States to escape the results of a German debacle. When that problem is being discussed by the nations of the world, as it is being considered each day by the Reparations Commission, every consideration of pride, self-interest and duty demands that we be there.

Germany has twenty million more people than she can feed out of her agricultural production. She must feed those people by importing food from abroad. In order to pay for that food, she must export more than she imports, over and above, of course, anything she pays toward rep-

arations or indemnities.\* And one of the reasons why a great many farm products of this country today are selling at so low a price is that Germany, among other nations, cannot afford to buy them. The internal purchasing power of the mark is so much greater than its external purchasing power that Germany cannot finance her normal pre-war purchases in foreign countries.

#### OUR INTEREST IN MARKETING OUR FARM PRODUCTS

On the obverse side of the picture, I am told that one of the largest provinces in Canada is considering seriously the declaration of a moratorium in favor of the farmers. Canada, with the greatest wheat crop in her history, finds farmers on the verge of bankruptcy, Europe, and Germany in particular, with a reduced wheat crop, unable to raise enough for ordinary purposes, finds it so difficult to buy the wheat that the farmer in Manitoba and Saskatchewan raises, and the farmer in the western part of the United States as well, that Canada is considering a moratorium in favor of her farmers. Meanwhile, wheat on the Chicago Board of Trade within a week sold at less than a dollar a bushel, which means very substantially less than a dollar to the farmer in Minnesota and Canada—less indeed than it costs to produce the wheat. *Isn't that condition of affairs of some importance to the farmers—and to the whole people of America?*



## OUR INTEREST IN HELPING AUSTRIA TO HER FEET

Another item in the news is that Austria is tottering still nearer the brink of complete disorganization. I did not get to Austria this summer. But I had reserved a hotel room which I expected to use. When I found I could not go, I asked the management of the hotel to send me a bill for the room. The cost of the room for three days was 750,000 kronen. Before the war that would have been \$150,000. I bought a check for the amount in dollars in Paris, and 750,000 kronen were \$14.50! It is absolutely impossible for us in the midst of prosperity and plenty that surround us on every side, to have any conception of the demoralization and distress in Austria.

Here is a country which before the war numbered some thirty-five or forty millions of people. Today they are cut down to six millions. And of the six million people now citizens or subjects of Austria, a very large percentage are employed by the government—the same number of people as were employed by the government when the empire numbered thirty-five million people. Why, you may properly ask, does not the government discharge most of these people? No government could discharge these people and keep in power. It is a vicious circle—the people that have the power to throw the government out force the government to keep them in. Statesmen of Austria have said, and no Allied investigator, however prejudiced

against the old Austria or the old Germany, has questioned the fact, that Austria cannot put her finances on a stable basis without the power of a foreign government behind her, that no government solely Austrian could live one day which would attempt to do the things which would result in adjusting the budget of Austria so that its income and its expenditures were equal.

And yet the inability of Austria to settle these problems means that Austria cannot buy the goods we would like to sell her; it means that if she cannot buy the goods we would like to sell her, she cannot buy the goods of those who have perhaps more of the things she wants and who are thus in turn unable to buy the things which we would like to sell them. This is the very problem the League of Nations is trying to solve. It is a problem that seriously concerns the United States—*but we are not there!*

## HOW EUROPE

### VIEWS AMERICA TODAY

No American can go to Europe today and feel the pride in himself and his country's position that he did three and four years ago. Four years ago, three years ago, the peoples of Europe looked upon us as the most idealistic, unselfish, and generous people in the world. Today they don't dare say, even among themselves, what they think—not so much because they don't think it, but because they realize so completely their

dependence upon us that they don't dare let themselves contemplate the result if sooner or later we do not live up to what they really believe is in us.

*We are vital to the very safety of civilization, and if we fail, civilization fails!* The world knows we will not fail, but we are losing precious time.

## II

### THE CURSE OF THE TREATY OF VERSAILLES

When the people who framed the Peace Treaty at Versailles signed their names to that document, they left a curse upon Europe and a curse upon the United States, a curse upon the world, which it will take a great many years to overcome. They left Europe and the world saddled with economic problems that are absolutely insoluble.

Europe's difficulty—the world's difficulty—has been, not so much to recover from the war, but to adjust itself to the terms of the peace.

The reparations and indemnity were foisted upon Germany, as you and I know, without any regard whatever for Germany's ability to pay. I am no more an apologist of Germany than anyone else, but I am sure that now, three years after the event, we can agree to the proposition that the Peace Treaty at

Versailles was framed not in an atmosphere of calm, dispassionate consideration of Germany's ability to pay, but in an atmosphere of attempt to satisfy politics in various countries at home as to what Germany ought to pay.

You know the campaign that Mr. Lloyd George waged in England just before the Treaty of Versailles. You know that even in our own country, while we were not so much excited about the amount of indemnity to be assessed against Germany, the proceedings of the latter part of the Peace Conference in Paris and Versailles were surrounded in this country by an amount of political animus which made calm consideration of the result absolutely impossible. And the supreme difficulty of the moment is that we in this country even now cannot consider this matter free of political prejudices.

The disease that the Treaty of Versailles foisted upon the world grew out of this fact, that in the framing of that treaty too much consideration was given to political boundaries, to questions of self-determination and racial ambition, to an effort to get peoples established with sovereignty over them in accord with their national traditions and their national aspirations. But no consideration, or little if any, was given to the fact that the world is today profoundly an economic unit, and that no part of the world can do business without reference to its relations to the other part.

## EXCESSIVE NATIONALISM A WORLD DISEASE

The disease of the world today is excessive nationalism—national selfishness and egoism, and indifference to the welfare—often even the rights—of others.

Now what is the result of that? The result is that through this failure to take care of the economic machine, this failure to see to it that men had an opportunity to earn their daily bread in that glorious world that was to grow out of self-determination, there was created a situation which placed one very large part of the world in a position where it was absolutely unable to buy the products it must have if it was to live.

The Treaty of Versailles gratified racial and nationalistic ambitions, but destroyed the foundations of daily life.

## FRANCE—AND HER DIFFICULT POSITION

France is in a peculiar position. The French Government, as a government, is bankrupt, unless it is possible to obtain from Germany adequate reparation. Now everybody who carefully considers the question knows that it is impossible to obtain adequate reparations from Germany, and that being the case, France as a government is bankrupt. The French people have still tremendous resources within themselves. But as a Government, France is bankrupt. Yet France has

been pursuing a policy toward Germany which makes it impossible for Germany to pay much, if anything, a policy which has upset the whole of Europe and which has created immense irritation in the United States. France is apparently selfish and chauvinistic to the extreme—and one of the reasons is *we are not there doing our part* to help solve the vast problem of which France's difficulty is a mere part.

#### FRANCE'S NEED FOR SECURITY

Frankly, if I were in France's place, I would do precisely what France is doing. Consider the case. Suppose that we here in Philadelphia had as near to us as Pittsburgh the capital of a country eager at a moment's notice to fly at our throats. Suppose that country of which Pittsburgh was the capital had twenty million more people than we had—vigorous, virile, fighting people. Suppose that people had fought us twice, invaded our territory and almost approached Philadelphia itself, had even been able to reach Philadelphia with its flying machines and its long distance guns. What would be our attitude toward that country? Would we not say, "What care we for money? What care we for national solvency? What care we for any consideration in the world except the security of our homes and our land?" We would resolve, "Until we can have security against our sons being dragged from our homes, against our land

being invaded and devastated again, we are not going to tolerate any steps whatever which will make that enemy strong again."

#### THE CHRONIC DISEASE OF EUROPE

As I say, if I were in France's place, I would take exactly her position. And yet, it is illogical and unwise in a world sense. It absolutely fails to take unselfish account of the fact that until Germany becomes prosperous again, the world cannot become prosperous. It fails to take account of the fact that so long as France maintains that attitude there can be no peace in Europe and no peace in the world. These sporadic outbursts that you have seen now in Turkey, then in Poland, and at other times in different parts of Europe, are mere boils on the body. They disclose the disease that is within. And you are going to see these outbursts of nationalistic bad temper in Europe and different parts of the world just so long as there is no peace in men's hearts—and there will be no peace in Europe until problems like that between France and Germany are settled.

#### FRANCE NEEDS ASSURANCE OF PROTECTION FROM AGGRESSION

Now, how can they be settled? You cannot expect France to take a reasonable attitude toward Germany, and that means a reasonable attitude toward England and toward the rest of

the world, until France has some assurance that she will be protected against aggression. There was drafted at Versailles a treaty in which the United States and Great Britain agreed to stand behind France in case of attack by Germany. That may or may not have been a wise plan. A wiser solution may be for the nations of the world to join with France and say to France that no unjust attack shall be made upon her or upon any other nation; so giving assurance of protection by all nations of the world. I do not pretend to know what the best solution would be. But this I do know, that *in that solution and in that problem, the interests of the United States are very much involved*, and we cannot escape them for one moment.

We ought to be present at every conference and upon every occasion when these gigantic questions are under consideration. WE OUGHT TO BE THERE NOT AS OBSERVERS BUT AS RESPONSIBLE PARTICIPANTS.

#### EUROPE STEADILY PROGRESSING TOWARD DEMORALIZATION

If Germany and France follow the course of Austria, then Italy and the other nations of Europe will be dragged down. The whole situation in Europe is today more distressing and more menacing than it has been at any time since the Armistice. Europe for eight years has been consuming much more than she has been producing. Before the war Europe as a con-



continent was a creditor continent. Today she is very much a debtor continent. Mr. Hoover estimated that before the war Europe numbered a hundred millions more people than she could feed out of her current agricultural production. She had to buy the food with which to feed those hundred millions excess people by exporting surplus manufactured products or by obtaining interest on the money and the capital she had loaned to foreign countries. Today Europe has consumed that capital. Her producing power has been reduced. She is unable to finance loans with which to go forward. There is one steady progression of inflation, of unbalanced budgets, of hatred between countries and peoples, of standing armies maintained because Governments have not the courage to reduce them or have not a place to put the people to work if they were taken out of the armies. There is one steady progression towards starvation and demoralization.

#### HOW TO UNDERSTAND THE REAL SITUATION

If you go to Europe, you will see many things going on very much as they used to. Superficial indications are very deceptive, and to understand the real situation, you must go beneath the appearances and study the figures, and get especially the data as to the death rate, the facts as to tuberculosis, the figures as to disease, the figures as to mal-nutrition, the

figures as to the insufficient calories in the gross amount of food available to the people. If you could see those figures and then carefully study them, you would see the unmistakable trend and the inevitable result.

### III

#### WHAT IT MEANS TO US

Now what does that all mean to us?

First of all as to the Inter-Allied Debt. The truth is that the Inter-Allied Debt is an academic question. Nature has settled it. There is no more possibility of that debt being paid, in so far as countries outside of England are concerned, than it is possible for this audience to sail to the planet Mars on an aeroplane.

#### THE INTER-ALLIED DEBT AN ACADEMIC QUESTION

Continental Europe does not take the Inter-Allied Debt seriously. I hear Americans say, "Let us use that debt as a lever to force Europe to do what it should to put its house in order." Do you think it has done any good to have the lever against Germany that the Allies have had to force Germany to do things? The Allies have threatened, they have bullied, they have cajoled, they have done everything they could to induce Germany to do things; but if Germany does not

want to or cannot do them, you can make but little headway. You cannot apply that kind of pressure against a whole people. You cannot enslave a nation. If the people of Europe do not want to or are unable to pay those debts, no power in the world can make them pay them.

#### ENGLAND DETERMINED TO PAY

With England the case is quite different. England can pay her debt to us, and I found in England this summer an attitude of mind such as I have never known there since the most critical days of the war. I remember being in England early in 1918, when the English people were united as they had never been united before in their determination that Germany should be defeated no matter what the cost. I found this year in England an attitude of mind of similar determination that the American debt must be paid no matter what the cost. The English think about that debt in their homes. They carry it with them to their business. They feel that they cannot hold up their heads and look the world squarely in the face again until that debt is paid. And I venture to predict that if the United States does not make some move toward the cancellation of that debt, the English are going to pay it, if it means sacrificing every purchase they are accustomed to make in the United States, if it means sacrificing their comfort at home, if it

means sacrificing every foreign security they hold.

And yet I venture to think that the payment of that debt will be far more expensive and far more unpleasant to us than it will be to England.

I won't labor the point, but no country can pay five billion dollars or any really large sum with gold or money! They must pay it with goods. In order to pay it with goods they must ship here the kind of goods we want. If they ship the kind of goods we want, it means that our people will buy the goods that they want from England rather than buy the same goods from our own people. If England were really to pay us in large sums, or if we were to allow her seriously to undertake to pay the principal and interest on that loan in the way the Congressional enactment provides it shall be paid, it would cause disaster to our factories, shock to our workingmen, and disturbance to our whole system of industry. England will do her part, but we shall yet have to review what the whole situation means to us.



If you have gathered any impression at all from what I have said, it is that the situation in Europe is distinctly mixed. I have been in Europe each year for the last four years, but never before have I found well-equipped, well-posted people more completely at sea as to the outlook than they are at this moment.

## WHAT EUROPE LOOKS FOR FROM US

*Europe looks to us to bring the breath of Spring to that situation.* Not with money—the soundest thinking people in Europe have come to feel that the time for huge loans or of man-made remedies for the situation is past. Loans will be made where they are justified. But on the whole, Nature has got to work out her normal course. By the slow processes of economy and production, the peoples must struggle to their feet. But meanwhile, Europe is in a perfect maelstrom of international feuds, racial hatreds, suspicion, disturbances of every kind. Huge standing armies are maintained. Peoples distrust their neighbors. It is impossible to establish customs regulations and international transportation arrangements on a sound basis, because nations are thinking only of themselves. We ask here, “Why does not Europe set her house in order, why doesn’t she abolish her absurd restrictions, disband her armies, stop her extravagant government expenditure?” These are easy questions to ask, but they cannot be answered by any nation acting alone.

*A new spirit must come over this situation before these obvious remedies can be applied. We in the United States must implant that new spirit.*

## LOOKING FOR A FRIEND IN WHOM THEY TRUST

The situation in Turkey grows out of the same abnormal nationalism from which the world is

suffering. The nations will have their next peace conference. But those nations that will gather there will be influenced by the same age-long hatreds and feuds and traditions that other peace conferences have been governed by. *They look to the United States to bring to them not money alone, but moral influence.* They recognize that we have here a great reservoir of moral power, of idealism, that we live in a country of outdoors, that we are free of those national hatreds and feuds and sources of war which have torn Europe apart for so many centuries. They realize that if the United States will only come and give its advice and its assistance, they will all feel that they have a friend whom they can trust and upon whom they can rely.

So many people say, "Yes, that is all very well to talk about, but I am not going to go over to Europe or to have American soldiers go over to help settle the scraps of Europe." May I make this suggestion on that point? Many of you are bankers. Suppose that one of the great banks of New York was subjected to a run and financial disaster should threaten the country. Suppose then that J. P. Morgan and Company and the Federal Reserve Bank and all the other bankers should get together around a council table and decide that they would stand by that tottering bank. Do you not think that the very fact that the Federal Reserve Bank and J. P. Morgan and Company were in that conference would be sufficient to make unnecessary the

providing of any financial assistance for that bank?

To push the point further, suppose that in a great credit crisis, the largest bank of all should stand aside, and fail to give its advice, the results of its experience, and the strength of its position to saving the situation: What would you think of such a bank after such a moral failure?

I feel as others feel about the United States sending troops to settle trouble in Europe. If there is any real reason, such as existed in the last war, for our sending troops to Europe, we will send them anyway. We don't need any compulsion to do it. But ninety-nine per cent., 999 cases in a thousand, of all conceivable disputes which might involve our sending troops to Europe will be settled by the very fact that we are sitting in conference, that we are giving our views, our unprejudiced and impartial opinion, as to what ought to be done.

#### WHAT AMERICAN PARTICIPATION WILL DO

The knowledge of the peoples that *we are in the game* will have profound influence.

When we sit there with our spirit of unselfishness, with the known record we have for sympathy and generosity, most of the troubles will be settled without war. We can induce peoples to reduce their standing armies, we can induce them to compose their differences, we can induce them to look with a little more tolerance upon their

neighbors. We, and we alone, can induce them to do those things which if done will establish real peace, which will enable the nations of Europe to get on their feet and start producing and buying again, and once more resume the advance of civilization.

#### AS TO "ENTANGLING ALLIANCES"

We seek to avoid "entangling alliances," yet when George Washington wrote his farewell address, it took three to four weeks to cross the Atlantic Ocean. I crossed on a ship a few weeks ago in five days. You can cross in an airplane in less than two days. You can cross with an electric spark in less than a minute. I remember some years ago when visiting the London Stock Exchange, the manager of the cable company took me at three o'clock in the afternoon (which is ten o'clock A. M. in New York) and he said "I want you to see the first New York quotations." And in 45 seconds from the time the New York Stock Exchange opened, we had a report in London of the first transaction on the New York Stock Exchange. The money markets of the world today are substantially one. When a stable money standard is once again restored, and capital shall flow freely throughout the world, the security markets of the world will operate as a veritable unit. With the telephone, the telegraph, the wireless, and all the means of communication the world has devel-



oped, we are no longer separated from the rest of the world as we used to be.

The Atlantic Ocean from an economic and commercial standpoint is today no wider than the Delaware River. We are a part of the world. We are entangled already with the whole world. If there is a famine in India, it affects the sale of cotton from the states of Georgia and Alabama. If there is distress in Russia, it means that tea cannot be bought in Ceylon, and Ceylon cannot buy the wheat she needs from this country.

## IV

### THE WORLD NEEDS THE UNITED STATES

Our people need the markets of the world, and the markets of the world need us. The whole world needs peace, it needs contentment, it needs the will to peace, and it needs trust among the nations. *The world needs the United States.*

In a time so critical as this, when the whole future of civilization, it may be, hangs in the balance, it is time for the United States to reconsider very seriously where it shall stand. It is unthinkable that we should long maintain our present policy of isolation. Pride, self-interest, duty—all summon us to a new point of view, and a new policy in keeping with our great traditions. It is time, I believe, for us to take

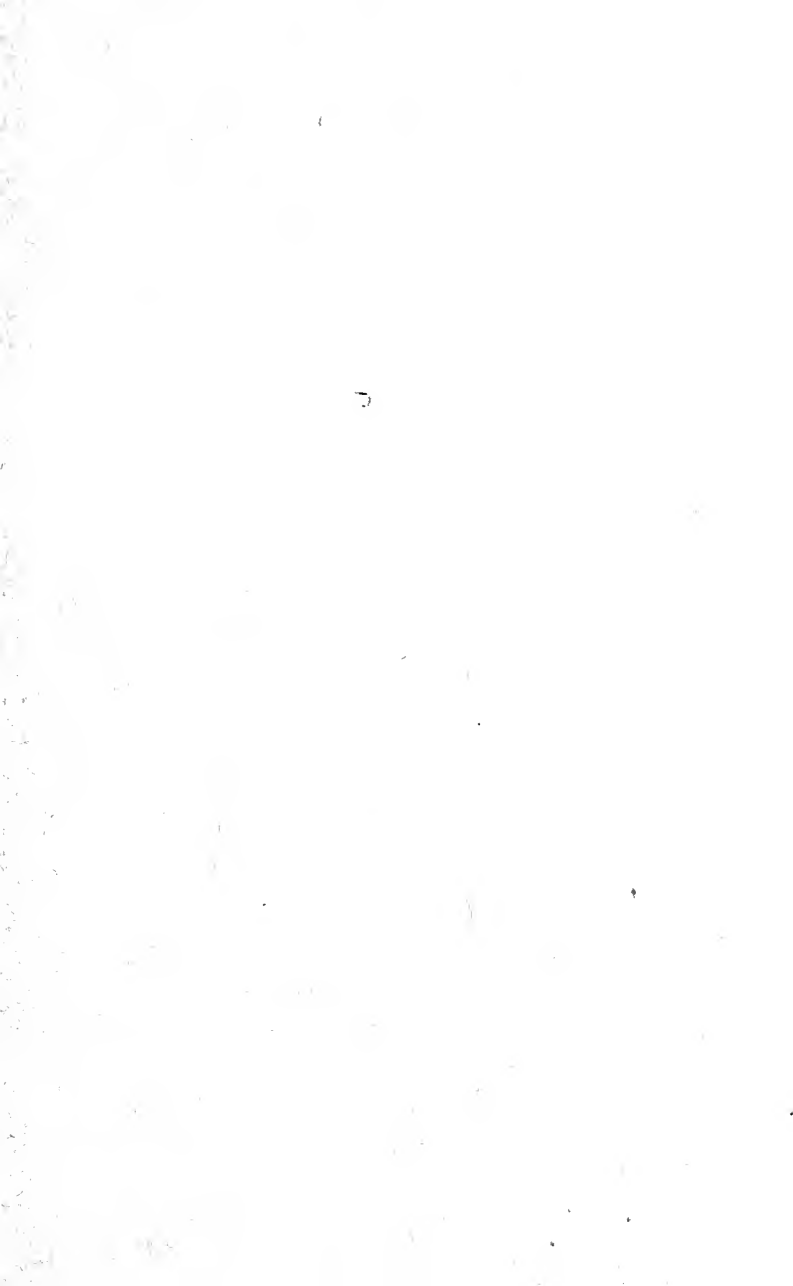
the position that in some form or other, in some form that will preserve our national traditions and satisfy our national aspirations, which will not involve us in un-American activities, in some form or other we as a people shall sit once more around the council table of the nations and bear our share of the burdens of the world.

#### THE TIME FOR DRIFTING IS PAST

We can trifle no longer. If we wait too long, it may be too late. Civilization is on fire, and yet we, a great Christian people, sit unmoved. We blame the other fellow for it all.

We are the big brother of the nations. We are indeed the "land of hope and glory," but we are not doing our part. We stand up in church and pray the Lord's Prayer, "*Thy Kingdom Come on Earth* as it is in Heaven!" Do we mean what we say, or do we refer only to the United States?

Is it not time to drop the petty politics of national egotism and rise to the height of the great argument? Can we as a people continue to stand aside and aloof? There isn't a particle of doubt that when America does see the situation as it is, she will rise in the greatness of her idealism and her magnanimity, and express her real self in sympathy and co-operation with a broken world. God speed the moment of that great awakening!



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